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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Final Report of the Ad Hoc Working Group on Trade Efficiency

As adopted at the third session of the Ad Hoc Working Group,
held at the Palais des Nations, Geneva,
from 2 to 11 May 1994

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* For the proceedings of the third session of the Ad Hoc Working Group, see the Group's report on its third session in document TD/B/40(2)/25-TD/B/WG.2/13.

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I. BACKGROUND AND PURPOSE

1. At its eighth session, in February 1992, the United Nations Conference on Trade and Development provided for the creation of an Ad Hoc Working Group on Trade Efficiency (cf. Cartagena Commitment, para. 79). Pursuant to this agreement, the Trade and Development Board, by its decision 398 (XXXVII) of 7 May 1992, established the terms of reference of the Ad Hoc Working Group. These are attached to the report as annex I.

2. Trade efficiency measures offer the opportunity to lower transaction costs and to bring new entrants into trade. They are accomplished by simplifying procedures, following international standards, and using modern information technology.

3. Technological change, particularly in information technology, has been instrumental in accelerating the process of internationalization of a number of markets and the globalization of business and financial flows. This has led to the emergence of strategic alliances between corporations and an increasing reliance on worldwide information networks. Thus, as far as trade is concerned, the availability and proposed use of strategic business and trade information is more and more a key to competitiveness. Faced with such a trend, many potential participants in international trade run the risk of exclusion: this is the position in which many developing countries and economies in transition, certain "traditional" economic sectors, as well as - in all countries - a large proportion of small and medium-sized enterprises find themselves.

4. The international community is thus confronted with a major challenge. Likewise, it is also provided with a valuable opportunity to reap the benefits arising from spectacular advances in information technologies if it succeeds in harnessing them to revitalized international trade.

5. There was unprecedented cooperation in organizing the work for this Working Group on two levels - with the private sector and across the United Nations system. Trade efficiency measures have long been urged by the enterprise sector, which has a keen interest in removing bureaucratic impediments to trade. In addition, the new information technologies and their applications have largely arisen in the enterprise sector, and firms have been the leaders in this field. The Working Group was able to benefit from an impressive group of experts in trade efficiency measures from the enterprise sector and business associations, learning from them about new technologies and how these are being used for business in today's world.

6. In addition, the UNCTAD secretariat spearheaded a drive for extraordinary cooperation among United Nations agencies. A far-reaching partnership was developed with the Economic Commission for Europe's Working Party 4, which has been the leader in establishing norms and standards in trade facilitation and electronic data interchange (EDI), the International Trade Centre (ITC), the International Telecommunications Union (ITU), UNCITRAL, and the other regional economic commissions. Close associations with the Customs Cooperation Council strengthened the Group's work.

7. Ninety-three States members of UNCTAD and nearly 30 international organizations participated in the Working Group.

II. FIRST SESSION 1/

8. During its first session, the Ad Hoc Working Group explored the issues of information and trade, EDI and trade efficiency, solutions for efficient trade, trade points, and the 1994 Symposium. The secretariat used the format of presenting the various options of technologies by having individual companies attend and offer audiovisual presentations and demonstrations of their technologies. The Group discussed information systems for efficient trade: information systems, information infrastructure, and the data itself. Depending on each of these three points of view, the concept of universality takes on a different meaning and has different relevance for traders.

A. Information and trade

9. Information systems: Discussion included issues relating to coverage of existing systems and how exclusion can be prevented, access to existing systems, procedures, norms, protocols, technical and economic conditions.

10. Information infrastructures: For many regions of the world, access to information is strictly limited by the lack of information infrastructure. Considering the dramatic decrease in the price-performance ratio of telecommunications and information technologies, new solutions should become available to provide infrastructure on a truly global basis. A selection of infrastructures for efficient trade was reviewed, with discussions on price thresholds and impact on competitiveness.

11. Data: On the basis of state-of-the-art knowledge and experience with using customs-based information, participants described national experiences, results and limitations. The Group explored issues of coverage, access, confidentiality, and transparency.

B. EDI and trade efficiency

12. Electronic data interchange (EDI) is the tool that allows international electronic commerce - computer-to-computer exchange of documents and information. The Working Group was introduced to applications of EDI in all trade-related sectors such as customs, banking and transport. Particular emphasis was placed on practical problems facing traders, such as handling of customs manifest/declaration, documentary credit, port procedures or inventory/invoice management, etc. Various international organizations made presentations to explain the breadth of work being done on EDI. The Economic Commission for Europe's Working Party 4 (ECE/WP.4) has been active in the field of trade facilitation for many years, and presented to the Working Group the progress it had made in UN/EDI for Administration, Commerce and Trade (UN/EDIFACT), a norm for EDI which is being adopted worldwide. WP.4 had accepted the principle of a joint UNCTAD/WP.4 work programme on trade efficiency, and nearly all members of its bureau attended the session. The Working Group also heard from the United Nations Commission on International Trade Law (UNCITRAL) on the issue of EDI and international trade law. A business perspective dealing with the same issue was offered by the International Chamber of Commerce. A series of enterprises (from the Netherlands, Italy, Norway, France and Germany) presented practical EDI applications for business. Following the presentations, the Working Group held a discussion on the question: "Is EDI for everybody?", examining the

costs, benefits, difficulties and options, as well as some of the policy issues surrounding electronic commerce. Questions on the transfer of this technology to developing countries and experiences in national contexts other than OECD countries were taken up.

C. Solutions for efficient trade

13. The Working Group enjoyed demonstrations of some of the most advanced solutions for efficient trade, such as the use of bar codes, line release, and community trade data systems (Singapore's TradeNet). The use of advanced technology in ASYCUDA (Automated Systems for Customs Data), developed by UNCTAD and now in use in nearly 65 countries for such systems, was demonstrated. Members discussed the conditions for applicability and success for such systems and their potential for universality.

D. Trade points

14. As an introduction to the new kinds of technologies which could be used at trade points, a video-teleconference was staged between UNCTAD and the Mayor of Columbus.

III. SECOND SESSION 2/

15. The second session was held one year later, in November 1993. In addition to the intergovernmental delegations, approximately 25 directors of trade points came to the session and provided the highlight of the Group's deliberations by sharing their experiences in establishing trade points. In addition, the Working Group undertook an examination of trade facilitation measures and preparations for the United Nations International Symposium on Trade Efficiency.

A. Establishment of trade points

16. When the programme of establishing trade points first began, the UNCTAD secretariat had hoped to have 16 pilot trade points in place by the October 1994 Symposium. At the second session, the Working Group heard first-hand experiences from nearly 25 trade point directors on their activities with the trade points. A current list of trade points, established and requested, is to be found in annex II to this report. In separate meetings, the directors drew up a list of recommendations by trade point directors on the establishment of trade points, which is attached as annex III.

B. Trade facilitation

17. The main substantive work of the session was on the area of trade facilitation procedures, which was presented by members of the Economic Commission for Europe's Working Party 4. The Working Group examined a document on better business practices. This provided basic information on major issues relating to trade efficiency and gave a broad overview of the type of recommendation that might be proposed to the Symposium.

C. United Nations International Symposium on Trade Efficiency

18. Specific presentations were made on the modalities of work and expected results of that work in six sectors concerning trade efficiency: customs, banking and insurance, transport, telecommunications, information for business, and business practices. The Working Group selected the overall form of the meeting (two days of Senior Officials' meetings, three days of Ministerial meetings), and the main topics for the Ministers' Panels. The Group determined that, to the extent possible, it would try to make the Symposium a "paperless" meeting, demonstrating the possibilities of a paperless business world of the future.

D. Core Advisory Group of Experts

19. During the second session of the Working Group, the Core Advisory Group of Experts (CAGE) held its first meeting. Drawing on voluntary attendance from experts around the world, CAGE provided initial technical advice for the trade point directors and for the secretariat in the preparation of sectoral papers. This Group met twice between the second and third full sessions of the Working Group to help further the work done on sectoral papers.

IV. THIRD SESSION 3/

20. The third session did not accomplish as much as had been hoped by the delegations, as not all documents were available in all languages prior to the session. We were not able to examine carefully and debate the full range of information and recommendations presented in those documents. In order to accomplish as much as possible, delegations concentrated on selecting broad recommendations for the ministers, and on negotiating a Draft Ministerial Declaration on Trade Efficiency.

A. Recommendations for Ministers

21. The Working Group considered recommendations for Governments to implement trade efficiency measures in the six sectors enumerated at the second session. The recommendations agreed upon are found in annex IV to this report.

B. Ministerial declaration

22. The Working Group also negotiated a Draft Ministerial Declaration on Trade Efficiency to be promulgated by Ministers during the United Nations International Symposium on Trade Efficiency. The text of the Draft Declaration appears as annex V to this report.

C. Recommendation to establish a prepcom

23. As its last decision, the Working Group decided to recommend to the Trade and Development Board that a preparatory committee be called by the secretariat to provide an opportunity to discuss in detail the documents which were not available in all languages at the third session. From these documents the preparatory committee would determine the issues to be discussed in the Senior Officials' Technical Working Groups at the United Nations International Symposium on Trade Efficiency.

24. Attached to this document as annex VI is a schedule of the Symposium.

Notes

1/ For the report of the Ad Hoc Working Group on its first session, see document TD/B/39(2)/9-TD/B/WG.2/3.

2/ For the report of the Ad Hoc Working Group on its second session, see document TD/B/40(2)/3-TD/B/WG.2/9.

3/ For the report of the Ad Hoc Working Group on its third session, see document TD/B/40(2)/25-TD/B/WG.2/13.

Annex I

TERMS OF REFERENCE

Ad Hoc Working Group on Trade Efficiency

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Trade Efficiency is established by the Trade and Development Board with the following terms of reference:

1. To examine how modern organization and technology can be used to foster greater participation in international trade, in particular by small and medium-sized enterprises, giving particular attention to countries and regions less advanced in the area of trade efficiency. In this context, it shall:

(a) Identify possibilities to reduce transactional costs in international trade, particularly through trade facilitation and simplification of trade procedures, thus contributing to the fluidity of international trade flows and developing new trade links between potential and actual trading partners in all regions of the world;

(b) Taking into consideration differences in national conditions, practices and legal aspects, develop domestic guidelines or models for trade efficiency including, inter alia, simplifying, rationalizing and grouping formalities, transactions and information sources, consistent with a country's commitments under relevant agreements of GATT, and other relevant international agreements. In this context, as appropriate, promote the development and establishment of Trade Points;

(c) Promote greater understanding and use of Electronic Data Interchange (EDI), including the standards established through UNECE WP4. The Working Group will consider instruments and guidelines for the use of EDI;

(d) Evaluate the impact of EDI-related developments and relevant technical and technological innovations on the trade efficiency of firms, and the potential participation of new players in the international trade.

2. To contribute to the utilization of market opportunities by fostering transparency in trade-related information flows, including by increasing international awareness of opportunities to access publicly available market information.

3. To identify areas in which technical cooperation could be necessary in trade efficiency-related areas, with special regard to trade facilitation activities and the establishment of Trade Points, and possibilities to create new trade links thereby; in this context, adequate attention should be devoted to infrastructural and human resources development, and the organization of dissemination of necessary data.

4. The Working Group shall prepare the 1994 international symposium on trade efficiency, as called for in paragraphs 157 and 158 of the Cartagena Commitment. For use at that time, the Working Group shall undertake research, prepare publications, explanatory or educational materials, including those that emphasize legal or other focuses.

5. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

6. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

7. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

8. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

9. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs, notably regarding the work of the International Trade Centre UNCTAD/GATT and of the United Nations Economic Commission for Europe Working Party 4 (UNECE WP4).

10. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

11. The Working Group shall complete its work within two years of the adoption of its terms of reference. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

12. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

Annex II

TRADE POINT STATUS REPORT
11 May 1994

(Note: n.d.y. = no date yet)

Country	Status	Scheduled start-up date
Algeria	Government request submitted to UNCTAD on 02.12.92. TP inaugurated in Algiers on 13.12.93.	12.93
Angola	Government request submitted to UNCTAD on 20.04.94	n.d.y.
Argentina	Government request submitted to UNCTAD on 24.08.92. TPs being set up in Santa Fe and Rosario.	n.d.y
Armenia	To be established within a World Bank technical assistance project.	n.d.y.
Bangladesh	Government request submitted to UNCTAD on 24.04.92.	n.d.y.
Belarus	Government request submitted to UNCTAD on 15.03.93. TP to be set up in Minsk.	n.d.y.
Bolivia	TP operating in Cochabamba. Government proposal to set up two trade points in La Paz and Santa Cruz.	09.93
Brazil	Government request submitted to UNCTAD on 25.01.93. Physical TPs operating in Campinas and Porto Alegre. The first of a number of virtual TPs is now operating in Rio de Janeiro; physical TP to be inaugurated in May 94.	n.d.y.
Canada	Government request submitted to UNCTAD on 20.01.93.	n.d.y.
Cape Verde	Government request submitted to UNCTAD on 3.01.93. UNCTAD mission carried out in March 94.	n.d.y.
Chile	TP to be set up in Santiago.	04.94
China	Government request submitted to UNCTAD on 05.12.92. TP to be set up in Shanghai. TP Association established in Nov. 93.	n.d.y.
Colombia	Cartagena in operation since Feb. 1992. 52 more towns have requested TPs of which 12 are now operating.	02.92 10.93

Country	Status	Scheduled start-up date
Ecuador	Contacts established with Cartagena TP.	n.d.y.
Egypt	Government request submitted to UNCTAD on 20.11.92. TP being set up in Cairo.	n.d.y.
Estonia	Project with Finland to set up TP in Tallinn.	07.94
Finland	Planning to set up TP in Helsinki. Trilateral programme with Ukraine and Estonia to set up TPs in Kiev and Tallinn. Feasibility studies carried out in May.	07.94
France	Government request submitted to UNCTAD on 18.01.94. First TP to be set up in Marseilles. Proposals for four more TPs in Bordeaux, Grenoble, Le Havre and Lille.	n.d.y.
Gabon	Government request submitted to UNCTAD on 16.03.93. UNCTAD mission carried out in March 94. TP to be set up in Libreville.	n.d.y.
Georgia	Proposal for creation of a TP within a World Bank technical assistance project.	n.d.y.
Germany	Government request submitted to UNCTAD on 20.11.92. TP set up in Rostock.	03.94
Guinea Bissau	Government request submitted to UNCTAD on 22.02.94.	n.d.y.
Hungary	Government request submitted to UNCTAD on 08.04.93.	n.d.y.
India	Government request submitted to UNCTAD on 29.07.92. TP to be opened in Delhi. Other TPs planned for next year.	n.d.y.
Indonesia	Government request submitted to UNCTAD on 29.03.93. Trade information services provided since June 93.	06.93
Iran (Islamic Republic of)	Government request submitted to UNCTAD on 15.12.92. Trade Point to be set up in Teheran.	n.d.y.
Kenya	Government request submitted to UNCTAD on 06.05.92. UNCTAD mission carried out in March 94. TP to be set up in Nairobi.	n.d.y.

Country	Status	Scheduled start-up date
Mauritania	Government request submitted to UNCTAD on 30.03.94 UNCTAD mission carried out in March 94. TPs to be set up in Nouakchott et Nouadhibou.	n.d.y.
Morocco	Government request submitted to UNCTAD on 04.11.92. TP to be set up in Casablanca.	n.d.y.
Panama	Government request submitted to UNCTAD on 3.09.92.	n.d.y.
Peru	Government request submitted to UNCTAD on 9.03.94.	n.d.y.
Philippines	Government request submitted to UNCTAD on 18.01.93. TP operating in Manila. Planning to open a total of 90 TPs throughout the country.	10.93
Portugal	Government request submitted to UNCTAD in Aug. 93. TP to be set up in Porto.	n.d.y.
Republic of Korea	Government request received through the World Trade Centre (WTC) in Nov. 93. TP to be set up in cooperation with the WTC.	n.d.y.
Russian Federation	Government request submitted to UNCTAD in Nov. 93.	n.d.y.
Sao Tome and Principe	Government request submitted to UNCTAD on 21.04.94.	n.d.y.
Senegal	Government request submitted to UNCTAD on 24.03.93. UNCTAD mission carried out in March 94.	n.d.y.
Singapore	Government request submitted to UNCTAD on 18.12.92. Virtual TP operational. Physical TP scheduled to open in May 94.	09.93
Slovenia	Government request submitted to UNCTAD on 23.03.93.	n.d.y.
Sri Lanka	Government request submitted to UNCTAD on 6.1.93. TP being set up in Colombo. Product-specific TP scheduled for next year. Trade information provided since Nov. 93.	n.d.y.

Country	Status	Scheduled start-up date
Switzerland	Government request submitted to UNCTAD on 20.11.92. TP to be set up at the World Trade Center in Lausanne.	06.94
Thailand	Government request submitted to UNCTAD on 14.12.92. Trade information TP operating in Bangkok since June 93. Officially inaugurated in Oct. 93. First product-specific TP to be opened in April 94. Planning to create another 77 TPs.	10.93
Tunisia	Government request submitted to UNCTAD on 20.11.92. TP operating in Tunis.	07.93
Ukraine	Setting up TP within programme with Finland.	07.94
United Kingdom	Government request submitted to UNCTAD on 15.11.93. Plans to set up a virtual TP.	n.d.y.
United Republic of Tanzania	Government request submitted to UNCTAD on 02.11.93 UNCTAD mission carried out in March 94. TPs planned for Dar es Salaam and Zanzibar.	n.d.y.
United States	Government request submitted to UNCTAD on 20.11.92. TP operating in Columbus, Ohio.	09.93
Zambia	Government request submitted to UNCTAD on 23.02.94. UNCTAD mission carried out in March 94. TP planned for Lusaka.	n.d.y
Zimbabwe	Government request submitted to UNCTAD on 22.02.94.	n.d.y.
Venezuela	Has established direct contacts with Cartagena.	n.d.y.
Viet Nam	Government request submitted to UNCTAD on 14.03.94.	n.d.y.

Annex III

RECOMMENDATIONS BY THE TRADE POINT DIRECTORS

During the discussion, there was wide agreement among the trade point directors on the following recommendations:

1. Mobilize early and strong high-level support from the private sector and government to ensure smooth establishment;

2. Obtain technical assistance from UNCTAD, as it is essential for the establishment of trade points at various stages of operation. This assistance should be intensified;

3. Ensure that legal matters are clear in establishment procedures. Circulate existing articles of incorporation on a voluntary basis to provide trade points with guidance for their legal frameworks;

4. Develop trade point systems and services before investing in physical infrastructure;

5. Implement already-established international standards, especially UN/EDIFACT, to secure the interconnectivity of trade points within an open system;

6. Develop complementary business procedures and programmes through the trade point network for efficient exchange of information;

7. Develop training programmes to spread the use of international standards and the techniques necessary to use them, especially electronic data interchange (EDI);

8. Increase awareness of the benefits of trade facilitation measures at national levels (in one country, the debates caused by trade point experiences and studies have resulted in the reduction of the number of steps required for a trade transaction from 34 to 11);

9. Use as wide a selection of valid and reputable databases as possible;

10. Explore ways to lower costs of databases to trade points;

11. Increase participation in global trade by focusing assistance on small and medium-sized enterprises;

12. Harmonize the interests of emerging and small professional associations within the same sector, offering them an opportunity for joint marketing, etc.;

13. Provide assistance in trade transactions, as well as information;

14. Communicate with other trade points by use of an electronic newsletter;

15. Invite the Bureau of Working Party 4 of the Economic Commission for Europe to meet with the Bureau of the UNCTAD Ad Hoc Working Group on Trade Efficiency for the purpose of exploring ways of widening cooperation in the implementation of universal standards and trade facilitation processes;

16. Establish regularly scheduled periodic meetings of trade point directors;

17. Request UNCTAD to continue work on the issues of customs, trade facilitation, banking and insurance, information for trade, telecommunications and transport as they relate to the practical issues of trade point operations.

Annex IV

CONSIDERATION OF GUIDELINES ON KEY SECTORS FOR TRADE EFFICIENCY: CUSTOMS, TRANSPORT, BANKING AND INSURANCE, INFORMATION FOR TRADE, BUSINESS PRACTICES AND TELECOMMUNICATIONS

Draft recommendations for Governments

DRAFT RECOMMENDATIONS ON BANKING AND INSURANCE

The availability of modern trade-related finance, payment and risk management products is a critical element in the expansion of international trade within the developing world. Trade inefficiency in financial services can have a significant impact on the ability of firms, particularly SMEs, to participate in international trade or to compete effectively with exporters from other countries.

The development of efficient markets for financial services will facilitate increased international trade in goods and services, through improvements in the products and levels of service provided by the trade finance community. To further the development of their indigenous financial services industry, Governments should:

1. Address the unique structural aspects of the market for trade-related financial services when formulating policy in the area of financial services regulation. Market access restrictions should be eliminated for those financial products which cannot be effectively delivered by a solely domestic provider. Policy makers should also consider the indirect impact of protectionist restrictions affecting trade-related financial services, particularly their effect on export competitiveness;

2. Review their current laws and regulations affecting trade finance, insurance and international payments to ensure that they are consistent with accepted international practices;

3. Consider ratifying and implementing existing international conventions which seek to further harmonize international trade finance law;

4. Evaluate existing exchange control regulations to ensure that they facilitate the use of current financing and payment techniques;

5. Consider allowing exporters to secure foreign exchange to purchase modern financial products which enhance their competitiveness but are not available locally.

DRAFT RECOMMENDATIONS ON CUSTOMS

Customs play a key role in international trade. Every international trade transaction involves at least two Customs interventions, one at export and one at import. It is clear, therefore, that the manner in which Customs conduct their business has a substantial impact on the movement of goods across international borders. To promote the efficient flow of goods in international trade, Governments, through their Customs authorities, should:

1. In consultation with other interested parties (both governmental and non-governmental, as appropriate), clearly define their corporate objectives for Customs and develop and publish an overall long-term plan which sets out the manner in which it is intended to achieve these objectives;

2. Urgently examine their existing Customs practices and institute a programme of reform for those procedures that are identified as inefficient or redundant. Reference should be made to existing international conventions on Customs process simplification and harmonization (the Kyoto Convention of the Customs Cooperation Council). This should be undertaken with national trade and transport interests to ensure full coordination of carrier, port and Customs controls;

3. Maximize the use of information technology to assist Customs in the efficient performance of their duties. Computer applications for the Customs processing of commercial and financial transactions should be developed. Consideration should be given where applicable to implementing UNCTAD's programme for Customs computerization and reform, the Automated System for Customs Data (ASYCUDA). Computer interfaces (aimed at using United Nations EDIFACT interchange standards) which allow for the electronic submission of manifests, goods declarations, etc., should be developed and made available to traders;

4. Ensure the effective use of scarce manpower resources by means of risk assessment, profiling, selectivity and targeting techniques to identify high-risk consignments for physical examination. The proportion of consignments to be physically examined by Customs should be kept to a minimum consistent with the accomplishment of control objectives;

5. Take steps to make available facilities for pre-arrival processing of transactions, which can deliver significant trade facilitation benefits and, with appropriate safeguards, does not compromise in any way the control objectives of Customs. The electronic submission of pre-arrival cargo data further facilitates this process;

6. Examine closely the possibility of speeding up, as much as possible, the process of goods release based on a minimum of essential information. However, they should ensure that all information necessary for proper revenue collection, accounting, and precise statistical reporting is communicated to the Customs authorities;

7. Rationalize the cargo clearance process, which frequently requires the intervention of several government agencies in addition to Customs, through coordinated interventions by the agencies concerned or by investing responsibility for all cargo clearance activities in one single authority, i.e. Customs;

8. Simplify procedures for determining Customs value, which can cause significant delays in the clearance of import consignments, through the use of the Customs valuation method prescribed in the GATT Agreement, as administered by the Customs Cooperation Council, which is administratively less complex than other methods currently in use in some countries;

9. Endeavour, where possible and when high Customs tariffs are developed for national revenue, to broaden their tax base so that Customs tariffs may be moderated, since excessively high Customs tariffs encourage evasion through a variety of fraudulent practices and make enforcement more difficult;

10. Take steps to foster a cooperative rather than a confrontational approach to Customs operations. The Memorandum of Understanding (MOU) programme of the Customs Cooperation Council should be used as a vehicle for greater cooperation between Customs authorities and commercial operators;

11. Take steps to ensure the highest level of integrity and professional standards within their Customs service. The measures identified by the Customs Cooperation Council in the Arusha Declaration on Integrity in Customs should be implemented. Effective penalty measures are also required to discourage low standards of integrity in the trading community;

12. Institute Customs reform programmes aimed at enhancing the efficiency and effectiveness of their Customs services, thereby avoiding as far as possible the need to use the services of pre-shipment inspection agencies to carry out Customs-related activities. While recourse to such services might be a necessity in certain circumstances, it should be regarded as an interim measure;

13. Consider, as appropriate, setting minimum standards for shipping agents, freight forwarders and Customs clearing agents/brokers or encourage these professions to set their own standards and monitor performance, since the factors causing delays in the release of goods include inefficiency and lack of professionalism on the part of some members of these professions;

14. Ensure maximum transparency and fluidity of Customs operations by providing the trading community with the necessary information on Customs formalities and requirements. Such information should be kept up to date and should be easily accessible;

15. Enhance Customs controls and facilitate import clearance by considering, on a bilateral (or multilateral) basis, the routine electronic transmission of export data from the country of export to the Customs authority of the importing country, in accordance with the laws and regulations concerning disclosure of information;

16. Ensure, in countries where foreign trade statistics are based on Customs data, the reliability of the raw statistical data, as well as their timely transfer to the institutions responsible for the compilation of trade statistics;

17. Ensure that Customs are adequately resourced to perform their designated role efficiently, effectively and to a high standard of professional ethics, since a Customs service starved of resources will certainly be an obstacle to trade;

18. Ensure, through their representatives on the ruling body of the Customs Cooperation Council, that the Council is adequately resourced to carry out the urgent technical assistance tasks which it is called upon to do. The Council,

as the international organization for Customs matters, has a key role to play with regard to the implementation of many of the above recommendations by its member administrations.

DRAFT RECOMMENDATIONS ON BUSINESS INFORMATION

Business information plays a key role in international marketing and competitiveness. Access to timely, accurate business information and the ability to use the information is a major factor in international trade efficiency. To promote the free flow of business information and equal access to that information by enterprises of all sizes, Governments should:

1. Encourage enterprises, in particular newcomers to international trade and small and medium-size enterprises, to explore the scope for internationalization, as appropriate;

2. Facilitate circulation of, and access to, sources of economic and business information, which represent an important input in the transition to a more outward-looking development pattern. Particular consideration should be given to SMEs and newcomers to international trade. For example, trade promotion organizations and trade commissioner services could be used. International experience on the conditions of success for running efficient business centres and services should be taken into account;

3. Improve training capacities for more effective use of business information, particularly in developing countries and economies in transition. This should include the strengthening of local training institutions (training of trainers), as well as specialized training assistance to trade promotion institutions, business associations and the enterprise sector;

4. Make special efforts to ensure that the necessary telecommunications infrastructures are in place to permit effective access to business information sources, such as on-line databases, especially in developing countries and countries in transition;

5. Support the use of internationally accepted standards, formats, and coding systems when used in the dissemination of information;

6. Ensure a non-discriminatory and conducive policy framework for commercial suppliers of business information;

7. Ensure that a focal point exists in each country to collect, process and make available for retrieval all relevant information on the country's trade regulations, product by product and using standard formats;

8. Develop a coordinated approach to the complex tasks of government institutions relating to business information, for example by establishing a national focal point;

9. Ensure the availability and reliability of up-to-date trade statistics, including those on trade volume and values, using internationally compatible nomenclatures; submit those statistics, on a timely basis to the United Nations Statistical Office; and encourage the use of available modern technologies in the collection and dissemination of statistics;

10. Encourage public and private business information services to strengthen their capacities as intermediaries and interpreters of business information, in particular for small and medium-size enterprises;

11. Encourage government departments which generate business information, such as departments of statistics, Customs, ministries of trade, central banks, etc., to develop efficient methods of disseminating that data to meet the needs of national and international business communities;

12. Encourage trade points to provide national and international business information.

DRAFT RECOMMENDATIONS ON TRANSPORT

Trade and transport are inextricably linked; efficient transport services are a prerequisite to successful trading. Growth in international trade demands the implementation of trade efficiency measures in the transport sector. To support rapid growth in international trade, Governments should:

1. Liberalize, modernize and harmonize transport laws and regulations, particularly through the definition of regulatory items which will foster the development by domestic or foreign investors of logistics that encourage the adoption of commercial practices in the transport chain;

2. Implement specific transport operations improvements such as formation of block-train services, preferential movement of transport modes, and granting of container terminal concessions to companies that operate according to commercial practices; (provide guidelines to update commercial banking and insurance practices in line with international practices recommended by the ICC; and stimulate private investment in training;);

3. Develop subregional cooperation projects regarding harmonization of transport regulatory policies and legal regimes to find multilateral solutions to existing problems, particularly in the field of Customs transit;

4. Encourage the establishment of subregional databases on transport (from the Advance Cargo Information System and other sources).

DRAFT RECOMMENDATIONS ON TELECOMMUNICATIONS

Telecommunications are a key factor for international trade in goods and services. Open access to international telecommunications is critical for efficient trade, and therefore Governments should:

1. Develop efficient telecommunications services to serve the needs of participants in international trade;

2. Prepare for and allow competition with regard to value-added services;

3. Identify the minimum service requirements necessary for the efficient use of telecommunications networks for local, national, and international trade by small and medium-sized enterprises;

4. Provide the necessary support and assistance to enhance capacity building in the area of telecommunications, in order to allow all participants in international trade to benefit from efficient trade practices and trade supporting services. In doing so, they should keep in mind the Buenos Aires Declaration and Action Plan adopted at the First World Telecommunications Development Conference in March 1994. Special attention should be granted to the specific situation of the least developed countries;

5. Ensure development of network access in remote or low-density regions for small business users through the adoption of appropriate network architectures;

6. Establish the necessary telecommunications networks and services to enable the efficient functioning and interconnecting of all trade points, thereby achieving maximum benefits for all participants.

DRAFT RECOMMENDATIONS ON BUSINESS PRACTICES

Obtaining new market opportunities requires not only the maintenance of free trade principles, but also substantial improvements in the efficiency of the overall trading process. Trade efficiency can be achieved as a result of trade facilitation, improving access to better marketing information and the adoption of new business concepts. In this context Governments should:

1. Ensure that trade facilitation issues are taken into account when formulating trade and transport policies;

2. Set up national committees where government services and commercial operators are represented to promote trade facilitation where not already in existence, with a clear remit:

- To reduce administrative impediments, in both public and private sectors, and search for concerted solutions to international trade- and transport-related issues;

- To encourage the use of best practice, including information technology, throughout the trading, transport and distribution, and payment processes, following international standards; and

- To help develop the skills of the people involved;

3. Encourage subregional meetings of national trade facilitation committees;

4. Ensure that the national trade facilitation committee assists traders in carrying out their work in two ways:

- Simplifying, coordinating and standardizing procedures for exports and imports by all modes of transport;

- Developing an aligned import and export document system, both for paper documents and their electronic equivalent, based on international standards, the United Nations Layout Key for paper documents, and the United Nations Electronic Data Interchange for Administration Commerce and Transport (EDIFACT);

5. Establish transparent and simplified procedures to obtain licences for exports or imports of restricted or sensitive products. Once a licence is issued, control should be linked to routine export and import controls, for example, Customs clearance;

6. Establish simplified procedures to obtain foreign exchange for international trade;

7. Simplify the procedures for certification of origin;

8. Ensure that national regulations on dangerous goods conform to the relevant international standards; where possible, the dangerous goods declaration should be incorporated in an existing commercial document;

9. Review their international trade statistical needs in order to keep data requirements to a minimum. Data should be collected at a time, and in a way, that cause minimum delay to the movement of goods, such as periodic scheduled returns;

10. Ensure, when the public sector provides international trade services or buys and sells goods that efficient procedures are used.

Annex V

DRAFT COLUMBUS MINISTERIAL DECLARATION ON TRADE EFFICIENCY

Preamble

We, the Ministers and delegates of the member countries of the United Nations Conference on Trade and Development (UNCTAD), assembled in the City of Columbus (Ohio, United States) for the United Nations International Symposium on Trade Efficiency, declare:

1. Greater participation in international trade is a prerequisite for development. Dynamic and healthy international trade is a major instrument for the economic growth and sustainable development of all countries. It also contributes to the goals of poverty alleviation and employment creation on a worldwide basis.

2. The historic signing of the Final Act of the Uruguay Round in April 1994 in Marrakesh (Morocco) marked the successful conclusion of many years of negotiations on the **macroeconomic framework** required for the emergence of an open, predictable, secure and non-discriminatory trading system. However, efforts made to secure a free trade environment will not bear their full benefits unless the enterprises of all nations can import and export efficiently. Here in Columbus we have gathered to find solutions to these **microeconomic issues** of international trade.

3. Over the last few years, significant progress has been made towards the establishment of more open and dynamic trade relations. Many countries, and in particular developing countries and countries in transition, have made significant efforts to liberalize and adjust their trade policies to multilateral disciplines. In this new context, trade efficiency, which allows faster, simpler, broader and less costly trade, is a valuable policy tool: it offers the natural bridge between the broad objectives of enhancing trade and development on the one hand and the practical measures necessary to allow the international community to reach such objectives on the other hand.

Efficient trade and development

4. Ensuring that no potential trader is excluded from international trade is a priority objective for the international community as a whole. In all countries, potential traders, especially small and medium-sized enterprises, are confined to the margins of international trade because of lack of efficient procedures, lack of access to information and information networks, or inadequate support services or trade logistics. Although the needs to be addressed vary from one country to the next, enterprises of all countries can greatly benefit from higher awareness of efficient business practices and trade facilitation measures. Since such improvements need not be technology-intensive, they can generate substantial benefits at all levels of the development process.

5. Small and medium-sized enterprises, a major instrument of employment creation and technology transfer, need to be better equipped, serviced and trained to export and import more efficiently. Close cooperation among national and local government authorities and enterprise sectors strengthens the ability of these firms to participate fully in international trade.

6. As electronic commerce is rapidly spreading to many sectors of activity and regions of the world, concerted action is required in order to allow all potential traders to rely on simplified, compatible procedures and practices, and to make the best possible use of modern technologies in order to lower the cost of international trade transactions worldwide.

[7. Achieving total annual savings equivalent to a quarter of the total value of procedures (i.e. some 10 per cent of the value of world trade) is a realistic objective that we shall strive to reach by the turn of the century. This could represent close to $100 billion per year.]

8. Electronic commerce is still an advanced, technology-intensive way to trade; as such, it bears as many opportunities as challenges for the less advanced among the nations of this world. The promotion of electronic commerce worldwide should be based on the principle of equality of access of all countries to systems compatible with the international standards recommended by the United Nations. In order to enhance the participation of developing countries in this new form of trade, special terms of access to electronic networks and business information may be considered. The efforts towards greater efficiency should also contribute to achieving greater equity among trading partners.

Trade efficiency measures

9. To achieve these goals, we have decided to initiate a worldwide process to enhance participation in international trade through a set of practical actions and recommendations. As a first step in this direction, we are officially launching the Trade Point Global Network, which will allow all member countries to trade more efficiently with each other, and help those who have so far remained at the fringe of international trade to participate actively and profitably in it, in particular the least developed countries and small- and medium-sized enterprises in all countries.

10. Trade efficiency is a priority area for Governments, the enterprise sector and international organizations. We [welcome] [endorse] the trade efficiency [recommendations and guidelines] annexed to this declaration. This list includes six areas in which we believe immediate action is feasible and likely to generate tangible results for international trade: customs, transport, banking and insurance, information for trade, business practices, and telecommunications.

11. Governments, the enterprise sector and international organizations will all have important and complementary roles to play in the implementation and follow-up of these [guidelines and recommendations]. One area of particular importance in which their energies will need to be combined is that of the adoption, promotion and implementation of international standards.

12. We agree that technical assistance programmes in the following areas deserve immediate attention: training and awareness in the main areas of trade facilitation and trade efficiency; integration of trade-efficient measures in customs and in financial, transportation, and telecommunications sectors; promotion of international norms and standards for collecting and transmitting trade-related information and messages. We therefore call upon the international community to provide substantial and rapid support to developing countries and countries in transition for the establishment and internetworking of trade points, and to technical assistance programmes supporting the implementation of these [recommendations and guidelines]. The specific needs of the least developed countries in these areas should be considered as a priority.

Role of UNCTAD in promoting trade efficiency

13. The implementation of the present Declaration will require coordinated efforts by many national and international bodies. The United Nations system has a central and irreplaceable role to play in this context, to which UNCTAD can make a unique contribution. We commend the close cooperation established between UNCTAD and other bodies, notably the United Nations Economic Commission for Europe (UNECE), the International Trade Centre (ITC) and the Customs Cooperation Council (CCC). We urge that these efforts continue in an integrated fashion, generating synergies among the organizations carrying out this highly valuable work.

14. We note that the rapid transition in technology will bring changes to the present solutions in the years to come. We therefore consider it necessary that policy issues related to trade efficiency continue to be explored by UNCTAD, in close cooperation with other relevant organizations. We encourage UNCTAD to continue its programmes supporting the implementation of efficient trade measures and the extension of trade points to all countries. We look forward to increased trade through more efficient trade.

Annex VI

THE UNITED NATIONS INTERNATIONAL SYMPOSIUM ON TRADE EFFICIENCY

RELATED EVENTS

(COLUMBUS, 17-21 OCTOBER 1994)

World Symposium on Trade Efficiency

Symposium Schedule: Monday, 17 October

	United Nations International Symposium	Global Summit For Mayors	Global Executive Trade Summit		World Trade Efficiency & Technology Exhibition
			CEO and Senior Level Decision-Makers	Regional Focus Session	
8:00					
9:00					
9:30					
10:00					
10:30					
11:00	UN1 Election of Officers				
11:30	PLENARY				
12:00					
12:30	Opening of the Senior Officials Segment				
13:00					
Lunch					
15:00	UN2 Tech WG Customs	UN3 Tech WG Business Information			
15:30					
16:00					
16:30	Matchmaking Banks, Ins, trans, telecom UN4				
17:00					
17:30					
18:00					
19:00					

World Symposium on Trade Efficiency

Symposium Schedule: Tuesday, 18 October

	United Nations International Symposium	Global Summit For Mayors	Global Executive Trade Summit		World Trade Efficiency & Technology Exhibition
			CEO and Senior Level Decision-Makers	Regional Focus Session	
8:00					
9:00					
9:30					
10:00	UN5 Tech WG Trade Procedures	UN6 Tech WG Banking & Insurance			
10:30					
11:00					
11:30	Matchmaking UN7 Customs, transp, info, telecom				
12:00					
12:30					
13:00					
Lunch					
15:00					
15:30	UN8 Tech WG Transport	UN9 Tech WG Telecom	Mayors arrive		
16:00					
16:30			UN9 Executive Briefing		
17:00	Matchmaking UN10 Banks, transp, info, Customs				
17:30					
18:00	Private Preview of Trade/Technology Exhibition EX1				
19:00	SOCIAL 01				

World Symposium on Trade Efficiency

Symposium Schedule: Wednesday, 19 October

	United Nations International Symposium	Global Summit For Mayors	Global Executive Trade Summit		World Trade Efficiency & Technology Exhibition
			CEO and Senior Level Decision-Makers	Regional Focus Session	
8:00					
9:00					
9:30		Mayor's Breakfast M2 w/Keynote speaker			
10:00					
10:30	Opening of the UN11 ministerial segment *Heads of State Video Conference* UNCTAD 30th Anniversary Conference Commitment [illegible] Enabling the IT Worldwide Network	P1 PLENARY			
11:00					
11:30					
12:00					
12:30					
13:00					
Lunch	02 LUNCH Trade & Technology Exhibition				
15:00					
15:30	Election of Chair UN12 PANEL Discussion Priorities for [illegible] Global Trade: The Contribution of Trade Efficiency Looking towards the 21st Century MINISTERIAL DECLARATION	Panel with M3 CEOs/Mayors Municipal Infrastructures for Trade	TS1 Panel: Global Competition and the Information Revolution		Opening Ceremony EX2
16:00					
16:30					
17:00					
17:30					
18:00	Governor/Mayor's Reception 03				
19:00		Mayor's Dinner			

World Symposium on Trade Efficiency

Symposium Schedule: Thursday, 20 October

	United Nations International Symposium	Global Summit For Mayors	Global Executive Trade Summit		World Trade Efficiency & Technology Exhibition
			CEO and Senior Level Decision-Makers	Regional Focus Session	
8:00					
9:00					EX3
9:30	CEOs/Ministers	PANEL M4	Global Trade Alliances for Small and TS2		
10:00		Cities & Global Competition	Medium Sized Companies		
10:30	UN13 TECHNOLOGY AND TRADE	Incentives for Trade	TS3 Electronic Commerce New strategic Opportunities	TS4 Opening up to fast growth markets	Open
11:00	(how new technologies are affecting trade telecommunications, transport, etc.)	Attracting Competitive Industries		R1 Business Strategies for Europe	
11:30		Utilizing Global, Acting Local	TS5	TS6	
12:00		The Trade Point is the City	Telecommunications Delivering Global Service to Traders	Electronic Commerce The legal Implications	
12:30					
13:00					
Lunch			LUNCH Keynote speaker		
15:00	UN14 Governments' Role in Trade Efficiency and International Cooperation	M5 Site visits (for all)	The Trade Point Opportunity TS7	R2 Business Strategies for Africa	EX4
15:30					
16:00			TS8 Delivering the Goods The Global transportation	TS9 Info competitiveness: Using and Understanding Knowledge	
16:30					Open
17:00			TS10 Regulatory Issues GATT and New Market Opportunities	TS11 Issuing Post Global Payment Systems	R3 Business Strategies for Asia
17:30					
18:00	Various sponsored activities				
19:00					

World Symposium on Trade Efficiency

Symposium Schedule: Friday, 21 October

	United Nations International Symposium	Global Summit For Mayors	Global Executive Trade Summit			World Trade Efficiency & Technology Exhibition
			CEO and Senior Level Decision-Makers		Regional Focus Session	
8:00						EX5
9:00	UN15	M6	TS12	TS13	I14	
9:30	Trade Efficiency and Development	PANEL: Cities and Employment	Telecommuting and remote management - a sneak preview of the future	Restructuring Business around Trade Efficiency	Business Strategies for Pan-America	Open
10:00	Increasing Participation in International Trade (Global Trade Point Videoconference)	- International Electronic Commerce and employment: how Cities can contribute - Giving SME's and New Entrants to Trade a Re-dotted to Global Competitiveness				
10:30						
11:00			TS14			
11:30			Multimedia for today's business			
12:00						
12:30	CLOSING PLENARY				P2	
13:00						

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